

# Fiscal Note

State of Alaska  
2018 Legislative Session

Bill Version:	CSSB 105(FIN)
Fiscal Note Number:	4
(S) Publish Date:	4/2/2018

Identifier: SB105CS(FIN)-DHSS-BHMS-3-30-18  
Title: MARITAL & FAMILY THERAPY LIC. & SERVICES  
Sponsor: WILSON  
Requester: Senate FIN

Department: Department of Health and Social Services  
Appropriation: Medicaid Services  
Allocation: Behavioral Health Medicaid Services  
OMB Component Number: 2660

## Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2019 Appropriation Requested	Included in Governor's FY2019 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2019	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Personal Services							
Travel							
Services	50.0						
Commodities							
Capital Outlay							
Grants & Benefits			1,000.8	1,000.8	1,000.8	1,000.8	1,000.8
Miscellaneous							
<b>Total Operating</b>	<b>50.0</b>	<b>0.0</b>	<b>1,000.8</b>	<b>1,000.8</b>	<b>1,000.8</b>	<b>1,000.8</b>	<b>1,000.8</b>

## Fund Source (Operating Only)

1002 Fed Rcpts (Fed)	25.0		660.5	660.5	660.5	660.5	660.5
1003 G/F Match (UGF)	25.0		340.3	340.3	340.3	340.3	340.3
<b>Total</b>	<b>50.0</b>	<b>0.0</b>	<b>1,000.8</b>	<b>1,000.8</b>	<b>1,000.8</b>	<b>1,000.8</b>	<b>1,000.8</b>

## Positions

Full-time							
Part-time							
Temporary							

## Change in Revenues

1251 Non-UGF (Other)	25.0		660.5	660.5	660.5	660.5	660.5
<b>Total</b>	<b>25.0</b>	<b>0.0</b>	<b>660.5</b>	<b>660.5</b>	<b>660.5</b>	<b>660.5</b>	<b>660.5</b>

**Estimated SUPPLEMENTAL (FY2018) cost:** 0.0 (separate supplemental appropriation required)  
(discuss reasons and fund source(s) in analysis section)

**Estimated CAPITAL (FY2019) cost:** 0.0 (separate capital appropriation required)  
(discuss reasons and fund source(s) in analysis section)

## ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? yes  
If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/19

## Why this fiscal note differs from previous version/comments:

CS SB 105 (FIN) version N removes two sections that were in the previous version of the bill. While the removal does not change the dollar amounts of the FN it does change the narrative explanation on page 2.

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Approved By: Shawnda O'Brien, Asst. Commissioner  
Agency: Health and Social Services

Phone: (907)269-5948  
Date: 03/29/2018 10:00 AM  
Date: 03/30/18

REPORTED OUT OF  
SFC 04/02/2018

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2018 LEGISLATIVE SESSION

## Analysis

CS SB 105 (FIN), Version N, amends requirements for marital and family therapists to obtain licenses; lists professions that may perform group supervision for marital and family therapist applicants, adds marital and family services to the optional list of services that may be reimbursed through Medicaid, and authorizes the Department of Health and Social Services and the Board of Marital and Family Therapy to adopt regulations to implement the changes. This fiscal note reflects the fact that licensed marriage and family therapist services have been added to the AS 47.07.030 list of Medicaid optional services for which the State will reimburse. The projected expenditures represent the Medicaid reimbursement for professional services provided by licensed marriage and family therapists to persons eligible for Medicaid services, whether children or adults, including the Medicaid Expansion population. Sections 1 - 3 of the bill have a January 1, 2019 effective date and will drive the need for Medicaid system, administrative regulation, and Medicaid State Plan Amendment changes. Any necessary regulations noted in Section 4 of the bill are estimated to be completed six months later, by July 1, 2019.

**FY2019** General Fund Match in the Services Line: \$50.0 for development of business rules in the Medicaid Management Information System detailing the parameters for services/reimbursement.

**FY2020 - FY2024** Federal Receipts and General Fund Match in the Grants, Benefits line:

Average annual per recipient cost X estimated number of recipients = Medicaid increment needed

**\$1,581 annual per recipient cost X 633 recipients = \$1,000,773**

The **\$1,581** average annual per recipient cost is based on FY2016 Medicaid claims data for those recipients receiving Mental Health Only services. *[Currently, Behavioral Health Medicaid reimburses an hour of clinic (counseling/therapy) services at \$100.00, family clinic services at \$110.00 per hour, and group clinic services at \$56.00 per hour, regardless of the category of the professional providing that service.]*

The estimated number of recipients is derived from two data sources:

- FY2016 Medicaid prevalence data (which indicates the number of unserved recipients who would benefit from behavioral health services): **6,330**

- 2011 National Survey for Drug Use and Health data (which estimates the percentage of unserved recipients that will actually seek treatment in any given year): **10%**

**6,330 x 10% = 633 estimated recipients**

Total General Funds Match request:

\$1,000,773 Medicaid Mental Health Only

X 34.0% (blended match rate resulting from regular and Expansion population)

\$ 340,263 General Funds Match

Recipients would be a mix of Medicaid Expansion recipients subject to an enhanced federal match rate and other Medicaid recipients subject to the regular federal match rate for services. We estimate that for the combined expansion and regular Medicaid, the average state match rate would be 34%.

There are presently just under 100 licensed marriage and family therapists in the State with an active license, and some of those professionals are already billing for their services under the umbrella of a mental health physician clinic. Therefore, we are unsure of the number of licensed marriage and family therapists who will be interested in beginning to *independently* bill Medicaid, subjecting their practices to the documentation and audit requirements that follow on enrollment in Medicaid as an independent provider. These cost projections are based on Medicaid utilization, and could be higher or lower, depending on the demand for licensed marriage and family therapist services from patients with other payment sources, like private insurance, and the willingness of licensed marriage and family therapists to provide services to Medicaid-eligible individuals.